

C O P Y

UNITED STATES CIVIL SERVICE COMMISSION

Washington 25, D. C.

May 9, 1957

Honorable Percival F. Brundage
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Brundage:

The Commission has your letter of March 27th, requesting its comments on draft bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes."

Section 5 of the draft would add a new section 9 to the Central Intelligence Agency Act providing special retirement privileges for certain employees of that Agency. Benefited would be those persons with at least 10 years' Agency service, of which not less than 5 years are performed outside the continental United States, who have served outside the continental United States during at least 40% of Agency employment prior to age 50.

Each employee meeting these conditions would be given the option of retiring on an unreduced annuity under the Civil Service Retirement Act, if the Agency Director approves, at any time after attaining age 50 and completing 20 years of Government service. In computing annuity rate in such case the employee would be allowed time credit at the rate of 1-1/4 years for each year of Agency service outside the continental United States.

If this amendment is considered in its present form, the words "as amended, (Act of 22 May 1920, 5 U.S.C. 691)" should be deleted to provide a correct reference. However, if this retirement proposal is to receive the attention of Congress, we strongly urge that it be redrafted as an amendment to the Civil Service Retirement Act. To accomplish the result sought by its proponents, section 5 of the draft bill should be changed to read:

Section 6 of the of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsections:

"(g) Any employee of the Central Intelligence Agency who (1) completes ten years of service with

that Agency, of which at least five years are performed outside the continental United States, (2) serves outside the continental United States during at least 40% of his employment with that Agency prior to age fifty, and (3) attains the age of fifty years and completes twenty years of service, may, if the Director of the Agency approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9; Provided, That in determining length of service for purposes of computing the amount of such annuity, credit shall be allowed at the rate of 1-1/4 years for each year of Agency service performed outside the continental United States."

The Commission cannot agree to enactment of the proposal, either in its original form or if amended as suggested. No reason is apparent why the earlier retirement right should be allowed persons working overseas for a particular Government agency when other Federal employees serving overseas under similar handicaps do not enjoy this special privilege. The provision for extra credit is an item entirely foreign to the concept of the civil service retirement law. Credit in excess of full calendar time has never been allowed during its nearly 37 years of operation, and adoption of such credit provision could be construed only as a discriminatory reward for overseas service of a particular type.

Our inability to agree to enactment of the proposal advanced by the Central Intelligence Agency does not stem from lack of sympathy with the objective sought to be attained. The problem of retirement policy for overseas employees of the United States has, from time to time, been studied and considered by various groups, including a White House Personnel Task Force, and White House Office, the Committee on Retirement Policy for Federal Personnel, the Civil Service Commission, and the Bureau of the Budget. In addition, Commission personnel have participated in a number of discussions in the past few years at which different agencies have been represented.

None of these studies, considerations, or discussions has resulted in adoption of an administration policy on the subject of retirement benefits for overseas personnel. No one proposal, or combination of proposals so far considered, has found general acceptance as offering a satisfactory solution.

We think the retirement problems concerning Central Intelligence Agency employees should not be isolated and considered independently of similar problems affecting overseas employees of all other agencies. The Commission has consistently leaned toward adoption of a general definition of overseas employees for retirement purposes, and consideration of provisions for earlier retirement and uniformly calculated

annuities for all such employees, regardless of the agency or agencies in which employed.

In view of the urgency expressed by the Central Intelligence Agency, Commission personnel will be available at the convenience of your office to participate in further discussions and attempts to find workable solutions to existing problems in this area.

By direction of the Commission:

Sincerely yours,

Harris Ellsworth
Chairman